GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:697
ANSWERED ON:09.05.2003
TRADE DEFICIT
ABDUL RASHID SHAHEEN;RATNA SINGH

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

:

(a) whether the trade deficit has been widening in the country;

(b) if so, the details thereof and the reasons therefor;

(c) the efforts made by the Government to deal with the situation; and

(d) the extent to which the trade deficit has been brought down on account of the aforesaid efforts?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY)

(a) to (d) A Statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 697 FOR ANS ON 09.05.03.

(a) & (b): No Sir. The trade deficit has come down from the level of US$ (-)12.85 billion in 1999-2000 toUS$ (-) 7.68 billion in 2002-2003. However, the trade deficit has increased by 10.56% from US$ 6.95 billion in 2001-02 to US$ 7.68 billion in 2002-03.This rise is mainly due to value of oil imports on account of higher oil prices. Oil imports constituted 30% of India`s total imports in 2002-03 registering a growth of 26.77% during the year. Non-oil imports showed a growth of only 13.31% during 2002-03. Among the non-oil imports, the items showing high import growth rates are vegetable oil (28%), machinery, electrical & non-electrical (15%), transport equipment (89%), pearls & semi precious stones (28%), etc. While items like vegetable oil are necessities, others are mainly inputs for exports or needed for industrial activity.

(c) & (d). Constant efforts are made by the Government to deal with the situation by both promoting exports and monitoring the imports of sensitive items. For promoting exports, a number of programmes/schemes have been launched which include schemes like Assistance to States for Developing Export Infrastructure (ASIDE), establishing Agri Export Zones, Market Access Initiative strengthening `Focus LAC` programme, introducing `Focus Africa` programme, etc.In the Exim Policy 2003-04, besides the focus on Service exports, policies have been devised to strengthen Special Economic Zones (SEZs), 100% Export Oriented Units (EOU`s) etc. A new programme called `Focus CIS` has been introduced. These measures taken from time to time, increase India`s exports and reduce the trade deficit.